



## Report of the Head of Democratic Services

Council – 23 November 2017

### Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2018-2019 - Consultation

<b>Purpose:</b>	To present the recommendations of the Democratic Services Committee held on 7 November 2017 relating to the Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2018-2019 Consultation. Council are asked to formally respond to the IRPW by 29 November 2017.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) The recommendations of the Democratic Services Committee held on 7 November 2017 as outlined in Appendix A of the report form the Authorities formal response to the IRPW.
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#### 1. Introduction

- 1.1 The Independent Remuneration Panel for Wales (IRPW) is tasked with setting the remuneration levels for Councils in Wales. Each year, they publish a Draft Annual Report which is circulated for consultation. Their Draft Annual Report is currently out for consultation. The consultation period closes on 29 November 2017. The final IRPW report will be published in February 2018.
- 1.2 This report sets out the recommendations of the Democratic Services Committee relating to the determinations affecting the City and County of

Swansea. It is proposed that these form the Authorities formal response to the IRPW.

- 1.3 The full Draft Report is available at <http://gov.wales/irpwsub/home/publication-reports/financial-year-2018-19/?lang=en>

## **2. Determinations within the IRPW Draft Annual Report 2018-2019**

- 2.1 The IRPW Draft Annual Report 2018-2019 contains 52 Determinations in all. A number of these determinations don't directly affect the City and County of Swansea and as such are omitted from this report.

- 2.2 An "Extract of the Determinations of the IRPW Draft Annual Report and Comments of the City and County of Swansea" is appended as **Appendix A**. The appendix sets out the determinations together with initial comments which are intended to stimulate debate and ultimately a formal response to the IRPW consultation.

## **3. Equality and Engagement Implications**

- 3.1 An Equality Impact Assessment (EIA) screening process took place prior to the consultation period. The outcome indicated that it was low priority and a full report was not required.

## **4. Financial Implications**

- 4.1 The IRPW determination to increase Basic Salary by £200 per Councillor will add £14,400 per annum. This can be accommodated within existing budget resources.

## **5. Legal Implications**

- 5.1 There are no specific legal implications associated with this report.

**Background Papers:** None.

### **Appendices:**

- Appendix A Extract of the Determinations of the IRPW Draft Annual Report and Comments of the City and County of Swansea.

## Extract of the Determinations of the IRPW Draft Annual Report - February 2018 and Comments of the City and County of Swansea

**NOTE:** For ease this report only outlines the salary figures of Group A Council's to which the City and County of Swansea belongs.

### General Observations

1)	Use of the terms “ <b>Elected Member</b> ” and “ <b>Elected Members</b> ”. The Authority suggests that the terms “Councillor” and “Councillors” be used instead, to make the document more user friendly for the public.
2)	<p>Introduction, Page 5, Paragraph 7, 3<sup>rd</sup> Sentence states “<b>To avoid further erosion in relation to average earning the Panel has decided to increase the basic annual salary to £13,600 (an increase of 1.49%)</b>”. Similar comments are repeated throughout the draft report.</p> <p>The erosion has increased by £100 since 2017-2018. The difference between the Basic Salary 2017-2018 (£13,400) and the Median Gross Earnings of all full time employees resident in Wales (£14,700) was £1,300. Whilst accepting the increase of salary goes some way to rectify the shortfall, the difference has actually increased to £1,400. The Basic Salary 2018-2019 raises to £13,600 however, the Median Gross Earnings has raised to £15,000 as outlined in Section 3, Paragraph 3.1 of your Draft Annual Report.</p>
3)	<p>Page 18, “<b>Supporting the Work of Local Authority Members</b>”, Paragraph 3.19 states, “...<i>the Panel does not consider it appropriate that Elected Members should be required to pay for any telephone use to enable them to discharge their Council duties as a ward member, Committee member or Cabinet member</i>”.</p> <p>Yet Determination 6 talks of “<i>as much support as is necessary to enable them to fulfil their duties effectively</i>”.</p> <p>Whilst the Authority fully supports the importance of ensuring Councillors have the appropriate level of support, it is difficult and likely very costly to pay for all calls associated with their Councillor role. A Councillor would need to separate their personal calls from their Councillor calls and submit their bills for inspection. This Authority's approach of paying an allowance towards their telephone bills is simpler for Councillors.</p> <p>The same issue applies to “internet provided services” as outlined in Paragraph 3.20.</p>

4)	<p>Page 20, Paragraph 3.24 <b>“Job Sharing Arrangements”</b></p> <p><i>“For members of an executive: Each “sharer” will be paid 50% of the appropriate salary of the Population Group.</i></p> <p><i>The statutory maximum for Cabinets cannot be exceeded so both job sharers will count toward the maximum.</i></p> <p><i>Under the Measure, it is the number of persons in receipt of a senior salary, not the number of senior salary posts that count towards the cap Therefore, for all job share arrangements the senior salary cap will be increased subject to the statutory maximum of 50% of the council’s membership.</i></p> <p><i>The Panel must be informed of the details of any job share arrangements.”</i></p> <p>This section of the Annual Report is unclear. The Authority would welcome it being re-drafted for clarity.</p>
5)	<p>Page 35, <b>“Reimbursement of Costs of Care”</b>.</p> <p>The Authority has approached the HMRC to establish whether the Reimbursement of Costs of Care payments should be subject to Tax and National Insurance deductions. The HMRC confirmed that they should be.</p> <p>The Authority therefore urges the IRPW to raise this issue directly with the HMRC with the aim of seeing that decision being reversed so that such payments are exempt from Tax and National Insurance deductions.</p>
6)	<p><b>Publication of Payments to Councillors &amp; Co-opted Members - Openness &amp; Transparency</b></p> <p>During the IRPW visit to Swansea on 3 October 2017, the IRPW suggested that the City and County of Swansea did not fully comply with the determinations of the IRPW in relation to the provision of ICT, Broadband, Telephone and Mobile Telephone Allowances because the Authority publishes all allowances paid to Councillors and Co-opted Members. It appeared that the IRPW were suggesting that the Authority should not publish this information. The IRPW suggested that should the Authority provide hardware instead of an allowance, then the Authority would not publish that, therefore there was no requirement to publish allowance amounts. The IRPW also suggested that a number of Councillors and Co-opted Members might not take up the allowances on offer in fear of any retribution from the public and / or press.</p> <p>Swansea is a Member Led Authority. As such, the Councillors determine the level of support that Councillors and Co-opted Members require to carry out their roles. To that end, the Democratic Services Committee commenced the discussion of adequate level of provision; this led to a recommendation to Council thereby enabling each Councillor to voice their opinion prior to the report progressing to Cabinet for them to decide.</p>

On detailed inspection of the IRPW Draft Report of February 2018 we note:

Section 1 “The Panel’s Framework: Principles of Members’ Remuneration”

Accountability, Paragraph 1.5 states, “*The Panel expects all Principal Councils to make information readily and appropriately available about the activities and remuneration of their Members*”.

Transparency, Paragraph 1.8 states, “*Transparency of Member’ remuneration is in the public interest. Some Members receive additional levels of remuneration by virtue of being elected or appointed to more than one public body. The framework serves to ensure that knowledge of all Members’ remuneration is made easily available to the public*”.

Section 14 “Compliance with Panel Requirements” Paragraph 14.3 (iv) states, “*A relevant Authority must make arrangements for publication within the Authority area of the total sum paid by it to each Member and Co-opted Member in respect of salary (basic, senior and civic), allowances, fees and reimbursements in a Statement of Payments...*”.

Whilst understanding the IRPW’s comments on 3 October 2017, the Authority believes that it does fully comply with the IRPW’s determination and is correct to publish the amounts especially when considered against the 3 report extracts referred to above. Furthermore, should the press of public challenge the payments made to Councillors and Co-opted Members then the Authority would robustly defend them as they are in line with determinations made by the IRPW, which is an independent body from the Council.

Additionally, should the Council cease to publish these allowances in the future, it is highly likely that the press and public will challenge this and ask for the figures to be published. The Authority believes that such a request for information would fall within the remit of the Freedom of Information Act thereby compelling the information to be released.

It is therefore in the public interest to ensure that these amounts continue to be routinely published.

### Section 3 - Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries

<b>Determination 1</b>	<b>Basic Salary in 2018/19 for elected members of principal councils shall be £13,600.</b>
<b>Comments</b>	This is a rise of £200. No comment.
<b>Determination 2</b>	<b>The Panel has determined that senior salary levels in 2018/19 for members of principal councils shall be as set out in Table 2 (of the IRPW Report).</b> <i>The proposed and current levels are outlined below for ease.</i>
<b>Comments</b>	The Authority welcomes the removal of the two levels of payments for Cabinet Members and Committee Chairs created in February 2016. The Authority believes that a Leader of a Council would create a balanced Cabinet with collective

	<p>responsibility. Equally, Council has created Committees with a balanced workload.</p> <p>As Senior Salaries include the Basic Salary element, they have all raised by £200 in line with Determination 1. There has been no further change to Senior Salaries. No comment.</p> <p>Determination 2 of the IRPW would have the following effect:</p>
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<b>Senior Salaries (inclusive of basic salary) - Group A Councils</b>	<b>Proposed 2018/19</b>	<b>Current 2017/18</b>
<b>Band 1</b>		
Leader	£53,300	£53,100
Deputy Leader	£37,300	£37,100
<b>Band 2</b>		
Executive Members	£32,300	£32,100
<b>Band 3</b>		
Committee Chairs (if remunerated)	£22,300	£22,100
<b>Band 4</b>		
Leader of the Largest Opposition Group	£22,300	£22,100
<b>Band 5</b>		
Leader of Other Political Groups	£17,300	£17,100

<b>Determination 3</b>	<b>The Panel has determined that (where paid) Civic Salaries at the following levels are payable (Table 3 of the IRPW Report) and will be applied by Principal Councils as each considers appropriate, taking account of the anticipated workloads and responsibilities.</b>
<b>Comments</b>	As Civic Salaries include the Basic Salary element, they have all raised by £200 in line with Determination 1. There has been no further change to Civic Salaries. No comment.

<b>Civic Salaries (inclusive of basic salary)</b>	<b>Proposed 2017/18</b>		<b>Current 2016/17</b>	
<b>Responsibility Level</b>	Civic Leader	Dep Civic Leader	Civic Leader	Dep Civic Leader
Level 1	£24,300	£18,300	£24,100	£18,100
Level 2	£21,800	£16,300	£21,600	£16,100
Level 3	£19,300	£14,300	£19,100	£14,100

<b>Determination 4</b>	<b>The Panel has determined that, where appointed and if remunerated, a Presiding Member must be paid a Band 3 Senior Salary. This post will count towards the cap.</b>
<b>Comments</b>	The Presiding Member within the City and County of Swansea is not remunerated. Agreed.

<b>Determination 5</b>	<b>The Panel has determined that the post of Deputy Presiding Member will not be remunerated.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 6</b>	<b>The Panel has determined that each Authority, through its Democratic Services Committee, must ensure that all its members are given as much support as is necessary to enable them to fulfil their duties effectively. All elected members should be provided with adequate telephone, email and internet facilities giving and electronic access to appropriate information.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 7</b>	<b>The Panel has determined that such support should be without cost to the individual member. Deductions must not be made from members' salaries by the respective authority as a contribution towards the cost of support which the Authority has decided necessary for the effectiveness and/or efficiency of members.</b>
<b>Comments</b>	No Change. The Authority notes that deductions cannot be taken from Councillors' salaries however must comply with any deductions deemed appropriate by HMRC in relation to allowances paid to Councillors and Co-opted Members.

<b>Determination 8</b>	<b>The Panel has determined to include a provision for specific or additional senior salaries that do not fall within the current Remuneration Framework.</b>
<b>Comments</b>	No change. Agreed.

#### Section 4 - Joint Overview and Scrutiny Committees (JOSC)

<b>Determination 9</b>	<b>The chair of a Joint Overview and Scrutiny Committee is eligible for an additional payment of £6,700.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 10</b>	<b>In cases where the chair is already in receipt of a senior salary for a Band 3, 4 or 5 role the additional payment will be £3,350.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 11</b>	<b>The chair of a sub committee of a JOSC is eligible for a salary of £1,675.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 12</b>	<b>In cases where the chair of the sub committee is already in receipt of a senior salary for a Band 3, 4 or 5 role the additional payment will be £837.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 13</b>	<b>Payments to chairs of task and finish sub committees are to be pro-rated to the duration of the task.</b>
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<b>Comments</b>	No Change. Agreed
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<b>Determination 14</b>	<b>Payments made to a chair of a JOSC, or a chair of a sub committee of a JOSC, are additional to the maximum proportion of the authority's membership eligible for a senior salary. It should be noted that the statutory limit of no more than 50% of a council's membership receiving a senior salary applies (Section 142 (5) of the Measure).</b>
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<b>Comments</b>	No change. Agreed
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<b>Determination 15</b>	<b>A deputy chair of a JOSC or sub committee is not eligible for payment.</b>
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<b>Comments</b>	No Change. Agreed
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<b>Determination 16</b>	<b>Co-optees to a JOSC or to a sub committee are not eligible for a co-opted member fee unless they are appointed by an authority under Section 144(5) of the Measure.</b>
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<b>Comments</b>	No Change. Agreed
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#### **Section 5 - Pension provision for Elected Members of Principal Councils**

<b>Determination 17</b>	<b>The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.</b>
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<b>Comments</b>	No Change. Agreed
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#### **Section 6 – Entitlement to Family Absence**

<b>Determination 18</b>	<b>An elected member is entitled to retain a basic salary when taking family absence under the regulations irrespective of the attendance record immediately preceding the commencement of the family absence.</b>
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<b>Comments</b>	No Change. Agreed
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<b>Determination 19</b>	<b>When a senior salary holder is eligible for family absence, he/she will continue to receive the salary for the duration of the absence.</b>
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<b>Comments</b>	No Change. Agreed
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<b>Determination 20</b>	<b>It is a matter for the authority to decide whether or not to make a substitute appointment. The elected member substituting for a senior salary holder taking family absence will be eligible to be paid a senior salary, if the authority so decides.</b>
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<b>Comments</b>	No change. Agreed
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<b>Determination 21</b>	<b>If the paid substitution results in the authority exceeding the maximum number of senior salaries which relates</b>
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	to it, as set out in the Panel's Annual Report, an addition to the maximum will be allowed for the duration of the substitution. However, this will not apply to the Isle of Anglesey or Merthyr Tydfil Councils if it would result in the number of senior salaries exceeding fifty percent of the Council membership. Specific approval of Welsh Ministers is required in such circumstances.
<b>Comments</b>	No Change. Agreed

<b>Determination 22</b>	<b>When an Council agrees a paid substitution for family absence, the Panel must be informed, within 14 days of the date of the decision, of the details including the particular post and the duration of the substitution.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 23</b>	<b>The Council's schedule of remuneration must be amended to reflect the implication of the family absence.</b>
<b>Comments</b>	No Change. Agreed

### **Section 7 - Payments to Members of National Park Authorities**

Determinations 24-30 relate to the National Park Authorities. The Authority has no comments on those determinations.

### **Section 8 - Payments to Members of Welsh Fire and Rescue Authorities**

Determinations 31-37 relate to the National Park Authorities. The Authority has no comments on those determinations.

### **Section 9 - Payments to Co-opted Members of Principal Councils, National Park Authorities and Fire and Rescue Authorities**

<b>Observation 1</b>	The Section title includes reference to footnote 7 which states, "This section does not apply to Co-opted Members of Community and Town Councils". Whilst, the Authority understands the difference between a Community / Town Council Representative of a Standards Committee and a Co-opted Member of a Community and Town Council, it is suggested that footnote 7 is amended to make it clearer and to avoid future confusion. The Authority suggests that the footnote should be amended to read, "This section does not apply to Co-opted Members of Community and Town Councils other than if they have a Community / Town Councillor Representative sitting as a member of a Standards Committee".
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<b>Determination 38</b>	<b>Principal Councils, NPAs and FRAs must pay the following fees to Co-opted Members (who have voting rights)</b>
<b>Comments</b>	No Change to the first 3 categories. The Authority welcomes the inclusion of a payment to a Community / Town Councillors; however, it should be clarified to show that the payment would only be for such a Councillor sitting as the Community / Town Councillor Representative on a Standards Committee. It should not include all Principal Council Committees.  This change will also need to be made to Paragraph 9.1 of the report.

Chairs of Standards, and Audit Committees	£256 (4 hours and over) £128 (up to 4 hours)
Ordinary members of Standards Committee who also Chair Standards Committees for Community / Town Councils	£226 daily fee (4 hours and over) £113 (up to 4 hours)
Ordinary members of Standards Committees; Education Scrutiny Committee, Crime and Disorder Scrutiny Committee and Audit Committee	£198 (4 hours and over) £99 (up to 4 hours)
Community and Town Councillors sitting on Principal Council Committees	£198 (4 hours and over) £99 (up to 4 hours)

<b>Determination 39</b>	<b>Reasonable time for pre meeting preparation is eligible to be included in claims made by co-opted members the extent of which can be determined by the appropriate officer in advance of the meeting.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 40</b>	<b>Travelling time to and from the place of the meeting can be included in the claims for payments made by co-opted members (up to the maximum of the daily rate).</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 41</b>	<b>The appropriate officer within the authority can determine in advance whether a meeting is programmed for a full day and the fee will be paid on the basis of this determination even if the meeting finishes before four hours has elapsed.</b>
<b>Comments</b>	No Change. Agreed

<b>Determination 42</b>	<b>Meetings eligible for the payment of fees include other committees and working groups (including task and finish groups), pre-meetings with officers, training and attendance at conferences or any other formal meeting to which co-opted members are requested to attend.</b>
<b>Comments</b>	No Change. Agreed

### **Section 10 – Reimbursement of Costs of Care**

<b>Determination 43</b>	<b>All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month. Reimbursement must be for the additional costs incurred by members in order for them to carry out their approved duties. Reimbursement shall only be made on production of receipts from the carer.</b>
<b>Comments</b>	No Change. Agreed

### **Section 13 - Payments to Members of Community and Town Councils**

Determinations 44 - 52 relate to Community / Town Councils. The Authority has no comments on those determinations.